Reported by: CARA POE

CSR No. 11973 Job No. 39984

| 1 | APPEARANCES | |
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| 2 | Hearing Off | icers: |
| 3 | | Donna Tegelman Sammie Cervantes Scott Cantrell |
| 4 5 | | Barbara McDonnell Tim Rust |
| 6 | Speakers: | |
| 7 | | Paul Olmstead John Mills |
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10:39 a.m.

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MS. TEGELMAN: Good morning. Welcome to, I guess, part two of the public hearing on the CALFED's EWA, Environmental Water Account EIS/EIR, which Ted has briefly gone through with you.

My name is Donna Tegelman, and I'm the regional resources manager of the Bureau of Reclamation. I'll be serving as the hearing officer, which means I don't have to do anything.

And we have a court reporter, Cara Poe. She'll be making a record of any statements that you have today. And she may ask you to give a little detail and at some point in time she may have you spell your name, et cetera.

As Tim mentioned earlier, there are going to be three hearings held on this particular EIS/EIR. And this is, as Sammie said, a requirement of the neighbor process.

I'd like to introduce two of the people at the front here that are with me. They come from the management agencies and the project agencies. Barbara McDonnell is to my far left and she is from one of the DWR. And Scott Cantrell here is with the Department of Fish and Game, and he is one of the action agencies or management agencies.

Today we'll be accepting your written or your verbal comments on the draft EIS/EIR. This will be a little bit

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Sammie has gone through this but if you want to redundant. make comments today, please complete a speaker's card and give it to Sammie, the lady who was talking earlier.

Also, if you have written comments you can indicate on that form whether or not you have written comments. if you prefer not to speak today but prefer to just give the written comments you may also do that, and we'll get those stapled to your card to ensure that they are retained.

We also have comment sheets and you can give comments on those sheets and submit them along with any oral comments that you may have. And those also can go to Sammie Cervantes.

Now, one of the things a lot of people like to do -and there's a lot going on in the world right now so often times we don't get things done in the time we'd like to, but we do have to receive any written comments that you have by Monday, September 15th.

We know everybody is really busy and you can't get to write until the last minute. Please make That's fine. sure you meet that particular deadline for us to accept those comments.

I will call speakers to the podium in order which we received your blue cards. When I call your name, please step If you would state your name clearly and your forward. affiliation. And also provide your name, last and first, and

to spell it so we ensure that Cara Poe has heard it 2 correctly. It's important to speak clearly today if possible in 3 order that we accurately capture your comments, and that's 4 5 the beauty of having written comments to make sure we understood you fully. б If I were to call your name and you're not available 7 В or distracted for the moment, we will go to the next speaker, and I would call you at the end of the list then. Extensive comments should be submitted in writing. 10 Since we only have two people so far we can probably be 11 fairly generous, but if some others were to come forward we 12 13 would perhaps have to reduce the time so everybody gets a chance to speak today. 14 I do not believe we have any public officials today, 15 16 Normally they are put at the front end of the meeting and that does not seem to be the issue today. 17 My first speaker will be Paul Olmstead. 18 19 And, Paul, if you'd like to come to the podium and 20 Sammie will take you the microphone. 21 MR. OLMSTEAD: Thank you. 22 My name is Paul Olmstead, O-l-m-s-t-e-a-d. I'm with the Sacramento Municipal Utility District and also 23 representing the CPE. My comments will be brief. 24 25 I'd like to state for the record that the

environmental documentation for the Environmental Water

Account does address the impacts of power. And specifically
they say the EWA agencies must develop a financial plan to
identify the cost incurred from the Environmental Water

Account transactions.

We recognize that the environmental documentation does address the impacts of power, although it does not make them significant, they are impacts. And that the mitigation mesmerists, who develop the financial plan to cover the Environmental Water Accounts, including those impacts to power costs.

We support that. We recognize that you have addressed our comments and put those protocols in formal documentation.

Thank you very much.

But in order to make an informed decision on the action, we recommend that as part of this mitigation plan that you intend -- or financial plan, that you intend to implement.

First of all, we see something drafted up to be included these principals in the final EIR for us to review. Also assure that the Western Area Power Administration is brought into the activity as part of this plan too so we can have a chance to view it before the final EIS/EIR and the record of decision.

As we all know that the cost of power can sometimes 7 2 overcome or cost more than the cost of the water itself. 3 Therefore, sometimes it could be a cost limiting action so if to assure that these actions do take place -- which the power 4 5 of customers do support these actions -- please identify the 6 amount of money available for the transactions at the start 7 of the year. 8 We don't want to see these transactions not take 9 place because there hasn't been an adequate amount of money 10 set aside to support the environmental water transaction. 11 With that, I think I'll terminate my comments right now, and I will submit a more detailed comment letter. 12 13 Thank you very much. 14 MS. TEGELMAN: Thank you, Mr. Olmstead. 15 John Mills. 16 MR. MILLS: Thank you for the opportunity to 17 comment. 18 My name is John Mills. I'm here representing the That's an association of Regional Counsel of Rural Counties. 19 29 of California's 58 counties. 20 21 We are predominantly the county's upstream of the 22 Delta with the exception of one member down in other spots. Some of you who follow water may have heard of him, 23 24 Imperial County. 25 In any event, our concerns about the document are

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1 We thank you for having this hearing. 2 enjoying the document for sometime now, reading the 1,500 3 pages. 4 Jerry promised us we would have a real sleeper and 5 we have one. It's a very good document, very comprehensive, 6 and I congratulate the staff. 7 Before I get into some comments about the 8 environmental document itself, I wanted to put out I think there needs to be a recognition that the federal agencies 10 have a significant role here, and they have participated under their existing authorities. And that's made clear by the fact that congress appropriated dollars for the Environmental Water Account. And congress recognized that there did not need to be a reauthorization for the CALFED Delta program to do that. They were able to successfully cut that baby in half and that money was appropriated for the EWA. The CALFED program as we know has neither been authorized or the funds appropriate from CALFED rather for CALFED like activities, which language comes right out of the appropriations markup. The ROD, the Record of Decision, for the CALFED program is a very complex document, and obviously one that

You know, what you best start off with is a Polaroid picture of what it looks like, where you think you are going, and you have to interpret that as you move along.

Those of us who followed CALFED for years remember one of the touchstones for CALFED was adaptive management. That means only making a mistake maybe five or six times and trying something new.

I think what we have to recognize is that adaptive management is predicated on professionals making a judgment call based on the best available science and information they have and changing the management strategy as they need to.

I think the federal agencies so far -- and I'm speaking a lot about the federal agencies here because I think they have a key role in this. Not to downplay the state agency, Scott, but you're broke.

The federal agencies have demonstrated a willingness and ability to interpret the CALFED ROD definition of the EWA. I just want to point out that subject and how much latitude the agencies will have now in the future to interpret or reinvent the Record of Decision may be examined by the appropriate funding authorities in the future because I will, as I said, I appreciate the ability of the agencies to do that but management, we also don't want them simply making up knew scenarios.

So we have seen a dramatic restructuring of the

Environmental Water Account, and although today's hearing is about the Environmental Water Account there are at least five or six other key elements of the Record of Decision. But if similarly reinterpreted one way or the other could lead people to wonder exactly what it is they were doing. So I think we just need to bear that in mind.

I do want to thank the folks who put this together for their recognition of the role of local government and also the tribes. Most of the tribes are located in our counties.

We try to have a nice coexistence with those tribes but we also recognize they have sovereign nation status and as such, the federal government has a statutory obligation to deal with them in a different way.

We do appreciate the way you've also include local government in some of your consultation as reflected in the design and the regulation in the mitigation of potential impacts in this document.

What we are hoping for is we hope that you will respond in your response in a very straightforward manner to our written comments, which will come in a great volume detail later, and will provide all of us with a clear administrative record of these proceedings. I think that's very clear.

You have had a departure of what people thought was

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in the ROD. We have had a decisionmaking process that changed that, modified it, adaptive management, whatever you want to call it.

We need to know exactly how that took place, what the parameters where, where the bookings are, and what response to comments comes back in the administrative record.

We don't want to have people confused when that's over with.

I want to thank you once again for this opportunity.

I want you to recognize though that local governments do have
a role here. That we regulate groundwater. There are a
number of authorities for that.

One is, of course, Balbrum, Beat and Hamine the supreme court decision here in the United States which gave counties a regular term authority of groundwater. I know Jerry's put that in his document and it's reflected in the county ordinance as recognized.

Secondly, the counties are also our land management agencies. They have land use, planning authority, and lead agencies. In many cases where the local water districts may attempt to carry something out or for that matter the groups working with the water local agencies, they will in fact be local entitlements and local government. And these counties are developing water resource elements in the government plans.

If you have seen -- and I heard some of you liaison

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with the government office planning research -- to look at the latest copies of the general plan guidelines that were released. Second draft is out by OPR.

Specifically in those documents the significant OPR has not redone the quidelines since Jerry Brown was governor

I think you'll find in there there is a much higher linkage now between the land management planning, watershed planning, and water resources planning that is partially in response to recent legislation in the last few years, but I think it is also a recognition for those of us who participate in the number of venues.

Scott and I were both on the advisory counsel for the State Water Plan. I think if you look at what goes in DWR's planning functions of the State Water Plan, DWR governs process applying research and CALFED that there has to be an integration of planning. And that's reflected there.

And you should expect counties not to look at this under a narrow interpretation but rather they would look at this under their police powers as I'll be glad to answer any questions you have.

Otherwise, we'll probably be submitting the last minute of the last day, our comments on this document. I thank you again for the opportunity to comment.

MS. TEGELMAN: Last chance.

I want to thank you for attending today's hearing, and I want to remind you again that you do have to have your written comments by Monday. Close of business Monday, September 15th. So if you can't mail them, you can fax them and that would also work. So that would be the close of today's hearing. Thank you. (The hearing concluded at 10:55 a.m.) --000 --

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| 3 | I, the undersigned, a Certified Shorthand |
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| 5 | Reporter of the State of California, do hereby certify: |
| 6 | That the foregoing proceedings were taken |
| 7 | before me at the time and place herein set forth; that |
| 8 | any witnesses in the foregoing proceedings, prior to |
| | testifying, were placed under oath; that a verbatim |
| 9 | record of the proceedings was made by me using machine |
| 10 | shorthand which was thereafter transcribed under my |
| 11 | direction; further, that the foregoing is an accurate |
| 12 | transcription thereof. |
| 13 | I further certify that I am neither |
| 14 | financially interested in the action nor a relative or |
| 15 | employee of any attorney of any of the parties. |
| 16 | |
| 17 | IN WITNESS WHEREOF, I have this date |
| 18 | subscribed my name. |
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| 20 | Dated: Sept. 29, 2003 |
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